

# **H.R. 1400, THE PRESCRIPTION DRUG FAIRNESS FOR SENIORS ACT OF 2003**

Representative Tom Allen (ME-01)

Studies in congressional districts across the nation have shown that drug manufacturers engage in widespread price discrimination. Seniors and others without insurance for prescription drugs are forced to pay twice as much for their drugs as consumers in foreign nations and the drug manufacturers' most favored U.S. customers, such as health insurers, health maintenance organizations, and the federal government. For some drugs, seniors must pay over ten times more than such customers.

This price discrimination has devastating effects on older Americans. Although they have the greatest need, senior citizens without prescription drug coverage must pay the highest prices in the world for drugs. As a result of these high prices, millions of senior citizens are forced to choose between buying food and paying for the medications they need.

The Prescription Drug Fairness for Seniors Act will protect senior citizens from drug price discrimination and make prescription drugs available to Medicare beneficiaries at substantially reduced prices. The legislation achieves these goals by allowing pharmacies that serve Medicare beneficiaries to purchase prescription drugs at the average price that the drugs are sold in other developed nations. The legislation has been estimated to reduce prices for brand-name prescription drugs, on average, by 40 percent.

## **THE LEGISLATION WILL:**

- **Allow Medicare beneficiaries to purchase prescription drugs at low prices.** Pharmacies will be able to purchase prescription drugs for Medicare beneficiaries at the drugs' low "average foreign price." Under the bill, the "average foreign price" means the average price that the manufacturer realizes on drugs sold in Canada, France, Germany, Italy, Japan, and the United Kingdom.
- **Use a streamlined approach.** Pharmacies will use the existing pharmaceutical distribution system.
- **Eliminates unfair price discrimination.** This bill ensures a level playing field. It eliminates unfair price discrimination and gives U.S. pharmacists the ability to purchase drugs at the average price paid in other developed nations. These lower drug prices will make prescription drugs more affordable to Medicare beneficiaries.